INFORMATION LETTER

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Trade Practice Rules for the Grocery Industry

The Federal Trade Commission last week announced its Trade Practice Rules for the Grocery Industry. As finally adopted, the trade practice rules represent the results of the joint efforts of the Federal Trade Commission staff and representatives of various trade associations whose members make up the grocery industry to modernize and improve the original trade practice rules for the industry as promulgated by the Commission on March 14, 1932.

The rules become operative 30 days after March 18, 1952, the date of promulgation. They will apply to canners and other food product manufacturers, brokers, wholesalers, and retailers of all grocery products.

The rules in Parts I and III of the rules encompass the prohibitions of the Clayton Act, as amended by the Robinson-Patman Act and otherwise. For the most part, they repeat the statutory language of these Acts. The remaining rules are based on Sections 5 and 12 of the Federal Trade Commission Act, which prohibit the use in commerce of unfair methods of competition, unfair deceptive acts or practices, and false advertising.

In the words of the Commission, the rules are directed "to the prevention and elimination of unfair trade practices to the end that the industry, the trade, and the public may be protected from the harmful effects of such competitive methods and that the conduct of business throughout the industry may be effectively maintained on a high plane of free and fair competition."

The text of the rules is reproduced beginning on page 138.

Defense Production Act

The Senate Committee on Banking and Currency this week began executive consideration of S. 2594, to extend the Defense Production Act. The Committee has agreed that the Act should be extended for one year, ending June 30, 1953.

The House Committee on Banking and Currency postponed the start of its hearings on the Defense Production Act until March 31. N.C.A. has requested an opportunity to present the views of the canning industry, and it is expected that N.C.A. will be heard after the close of the Easter holidays April 21.

N.C.A. Asks WSB To Approve Cannery Wage Differentials

N.C.A. this week recommended to the Wage Stabilization Board that it again authorize canning establishments to maintain customary differentials between agricultural wages and the wages paid for in-plant work in the same area.

At the request of N.C.A. and other groups, such authorization was granted by the WSB for the 1951 canning season (see INFORMATION LETTERS of June 23, 1951, page 241, and Aug. 4, page 285).

N.C.A. has pointed out, in a letter to the WSB, that last year's policy

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Wage Increases Authorized For Agricultural Labor

The Wage Stabilization Board has adopted a resolution adapting its cost-of-living policy to agricultural labor. In General Wage Regulation 8, Revised, the Board permits wage adjustments to match the increase in the cost of living since January, 1951.

The resolution specifies that "wage rates of agricultural labor may be increased without Board approval up to and including (a) a 1951 base rate, plus 5 percent thereof, or (b) a 1950 base rate plus 15 percent thereof."

In May, 1951, the Board adopted GWR 11 to adapt the 10 percent limitation on general wage increases to agricultural labor (see INFORMATION LETTER of June 2, page 221).

Under GWR 11, farm wage rates below 95 cents an hour may be increased up to that level without Board approval or reference to the 10 per-

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Unlimited Use of Cans For All Foods Proposed by NPA

The can order, M-25, may be relaxed —provided there is no work stoppage in the steel industry. Among the proposed changes is an amendment to permit unlimited use of cans for packing all foods.

The proposed relaxation of M-25 would begin with the second quarter, retroactive to April 1, even if NPA does not formally amend the order until after the start of the second quarter.

The Can Manufacturers Industry Advisory Committee recommended at a meeting with NPA this week that the amendment, if issued, should be retroactive to January 1, so that can users may have a small additional

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Renegotiation Board Issues Final Basic Regulations

The Renegotiation Board on March 24 announced adoption of final renegotiation regulations under the Renegotiation Act of 1951.

The new regulations constitute a revision of the regulations proposed for adoption in January. The Chairman of the Renegotiation Board has said that the Board gave careful consideration to all suggestions from industry sources and that the regulations, as now adopted, incorporate many of the suggested changes.

Some recommendations still are under consideration and others, which

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FDA Definitions and Standards for Fruit Preserves

The final order amending the definitions and standards of identity for fruit butters, fruit jellies, fruit preserves and related products was issued by the Federal Security Agency on March 20. The order will be effective 90 days following the date of publication in the *Federal Register*.

Text of the order was published in the *Federal Register* of March 26 and is reproduced in this issue of the LETTER beginning on page 141.

STATISTICS

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation are reported by the N.C.A. Division of Statistics as follows:

	1951	1952
	(*thousands of dozens*)	
Canner stocks, Jan. 1	62,453	57,522
Pack, Jan. and Feb.	23,470	20,469
Supply	85,923	77,991
Canner stocks, March 1	60,384	52,898
Canner shipments, Feb.	12,085	11,603
Canner shipments, Jan. and Feb.	25,539	25,093

Canned Fruit and Vegetable Stocks and Shipments

Reports on canners' stocks and shipments of canned apples, apple sauce, asparagus, beets, carrots, corn, peas, tomato juice, catsup, and chili sauce have been compiled by the N.C.A. Division of Statistics.

Canned Apple Stocks and Shipments

	1951–52 (*basis 6/10*)
Carryover, Aug. 1	1,953,263
Pack, Aug. through Feb.	3,372,992
Supply	5,326,255
Stocks, March 1	2,622,056
Shipments during Feb.	358,369
Shipments, Aug. 1 to March 1	2,704,199

Apple Sauce Stocks and Shipments

	1951–52 (*actual cases*)
Carryover, Aug. 1	3,407,089
Pack, Aug. through Feb.	9,350,716
Supply	12,847,805
Stocks, March 1	5,964,816
Shipments during Feb.	1,288,620
Shipments, Aug. 1 to March 1	6,882,989

Canned Asparagus Stocks and Shipments

	1950–51	1951–52
	(*actual cases*)	
Carryover, March 1	308,850	505,879
Pack	4,650,692	4,969,054
Total supply	4,959,542	5,474,933
Stocks, March 1	505,879	865,898
Shipments, Jan 1 to March 1	551,234	654,028
Shipments, March 1 to March 1	4,453,663	4,609,035

Canned Beet Stocks and Shipments

	1950–51	1951–52
	(*actual cases*)	
Carryover, July 1	829,736	1,471,122
Pack	8,483,371	*8,415,252
Total supply	9,313,107	*9,886,374
Stocks, March 1	3,699,918	4,107,925
Shipments, Jan. 1 to March 1	(a)	1,456,703
Shipments, July 1 to March 1	5,377,882	5,778,449

* Revised to include 355,892 cases packed from January to March. (a) Not available.

Canned Carrot Stocks and Shipments

	1950–51	1951–52
	(*actual cases*)	
Carryover, July 1	528,533	343,201
Pack	1,704,614	*2,043,747
Total supply	2,233,147	*2,386,948
Stocks, March 1	947,183	762,096
Shipments, Jan. 1 to March 1	(a)	525,381
Shipments, July 1 to March 1	1,285,964	1,624,852

* Revised to include 88,602 cases packed from January to March. (a) Not available.

Canned Corn Stocks and Shipments

	1950–51	1951–52
	(*actual cases*)	
Carryover, Aug. 1	6,466,680	373,375
Pack	21,645,243	30,188,540
Total supply	28,111,923	30,561,915
Stocks, March 1	7,384,588	8,055,928
Shipments during Feb.	3,312,135	2,580,271
Shipments, Aug. 1 to March 1	20,727,335	22,505,987

Canned Pea Stocks and Shipments

	1950–51	1951–52
	(*actual cases*)	
Carryover, June 1	2,141,400	1,110,783
Pack	32,725,536	37,837,387
Total supply	34,866,936	38,948,170
Stocks, March 1	5,825,508	11,318,015
Shipments during Feb.	3,355,562	3,007,426
Shipments, June 1 to March 1	29,041,428	27,630,155

Tomato Juice Stocks and Shipments (Excluding California)

	1951–52 (*actual cases*)
Stocks, excluding Calif., Feb. 1	8,918,393
Shipments, excluding Calif., during Feb.	1,608,649
Stocks, excluding Calif., March 1	7,209,744

Figures which have been supplied by the Canners League of California are not available for March 1 and will not be available until the April 1 report.

Catsup Stocks and Shipments (Excluding California)

	1951–52 (*actual cases*)
Stocks, excluding Calif., Dec. 1	9,831,984
Shipments, excluding Calif., Jan. 1 to March 1	3,673,205
Stocks, excluding Calif., March 1	6,158,779

Figures which have been supplied by the Canners League of California are not available for March 1 and will not be available until the April 1 report.

Chili Sauce Stocks and Shipments (Excluding California)

	1951–52 (*actual cases*)
Stocks, excluding Calif., Dec. 1	1,080,465
Shipments, excluding Calif., Jan. 1 to March 1	347,205
Stocks, excluding Calif., March 1	733,260

Figures which have been supplied by the Canners League of California are not available for March 1 and will not be available until the April 1 report.

1951 Season Total Packs of Beets and Carrots

The 1951 pack of canned beets totaled 8,415,252 actual cases as compared with the 1950 pack of 8,483,371 cases, according to a report by the N.C.A. Division of Statistics.

The 1951 pack of canned carrots amounted to 2,043,747 actual cases as compared with the 1950 pack of 1,704,614 cases, according to the same report.

The season total packs of beets and carrots were compiled on the basis of the packs through December 31 (see INFORMATION LETTER of February 16, page 104) and the packs from January 1 to March 1.

1951 Packs of Beets and Carrots January 1 to March 1, 1952, and Total Season Packs

Can Size	Beets	Carrots
	(*actual cases*)	
24/2	142,549	30,442
48/8Z	8,641	11,377
48/1P	5,715	.....
24/303	81,055	12,215
24/2½	6,284	829
6/10	105,080	43,739
Misc. tin and glass	6,568	.....
Total, Jan. 1-March 1	355,892	88,602
Total through Dec. 31	8,059,360	1,955,145
U. S. Total, 1951 pack	8,415,252	2,043,747

CONGRESS

Government Finality Clause

The N.C.A. has recommended enactment of legislation relating to the proper degree of finality to be accorded to contracting officers' decisions on questions of fact arising under government contracts.

In a letter to the Senate Committee on the Judiciary, N.C.A. expresses the opinion that "the near absolute finality accorded to contracting officers' and department heads' decisions by the *U. S. v. Wunderlich* case is neither justified in principle nor required by the demands of effective procurement."

In that case, the Supreme Court denied a right of appeal to a contractor in an instance where the Court of Claims had found that the decision of the Secretary of Interior was "arbitrary," "capricious," and "grossly erroneous," on the grounds that fraud and fraud alone gave the right of appeal.

A Senate Judiciary Subcommittee has held hearings on bills to void this

Supreme Court decision and on other bills which would define the degree of finality to be accorded to contracting officers' decisions.

The N.C.A. letter to the Committee stated, in part:

"If the government is by contract terms, as construed by the courts, to limit court review of government decisions on questions of fact to instances in which fraud can be alleged and proved, relief from unreasonable decisions by the procuring department is for all practical purposes rendered non-existent. This is true whether 'gross mistake as would necessarily imply bad faith, or a failure to exercise an honest judgment' is equated to fraud or not.

"The Association urges the enactment of legislation which will clearly express the extent to which review should be permitted of government decisions on questions of fact arising under government contracts.

"Motivating this recommendation is the canning industry's serious doubt—shared with many other segments of American industry—that the exigencies of government procurement justify the assumption by procuring agencies and departments of the privileged position implicit in the Standard Disputes Article and not accorded to other contracting parties in normal commercial dealings. It is obvious that the greatest guarantee against 'arbitrary,' 'capricious,' and 'grossly erroneous' decisions can be obtained by impressing upon every contracting officer and departmental review board the knowledge that their findings may be subjected to judicial scrutiny."

FOREIGN TRADE

Cuban Labeling Requirement

Resolution No. 119 of the Cuban Ministry of Finance, dated January 22, grants a further postponement, until June 30 of this year, of the requirement that imported packaged preserved foods, the principal ingredients of which are not of a kind produced in Cuba, must be labeled in the Spanish language. In consequence of the express limitation of the postponement, Spanish language labels are now required for food products the essential raw material of which is of a kind produced in Cuba, according to *Foreign Commerce Weekly*, official publication of the U. S. Department of Commerce.

"Indications are that this is the last postponement of the requirement," according to *Foreign Commerce Weekly*.

PUBLICITY

Woman's Day Magazine

An article entitled "A Good Catch of Recipes Using Canned Fish" appeared in the March issue of *Woman's Day* magazine.

The article consisted of six prize-winning recipes that were contributed by readers. Canned tuna, sardines, flaked fish, minced clams, salmon, shrimp, and ripe olives were featured. The thrifty recipes ranged in price from approximately 8 to 20 cents per serving.

DEFENSE

Legal Minimums

National "legal minimum" prices for vegetables for processing as of March 15 were announced late yesterday by the Production and Marketing Administration, USDA.

The legal minimum prices for vegetables for processing as of March 15 were unchanged from February 15.

Unlimited Use of Cans

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quantity of cans in their quarterly carryover quotas.

Under the proposed amendment, all items in Group I would be allowed unlimited use of cans. Group II items would be raised from 90 to 100 percent and Group III items from 70 to 90 percent.

The amendment also would enable packers having only one canning line to obtain sufficient cans to pack products on the basis of 26 eight-hour shifts each quarter. The order now limits these packers to 13 eight-hour shifts a quarter or 100 percent of the cans used in the corresponding quarter of the base year, whichever is less. The proposed amendment would delete this latter provision.

NPA emphasized that the proposed relaxation could not be considered in the event of a steel work stoppage.

The industry advisory committee recommended that NPA remove as soon as possible all quota restrictions on the use of cans. It also asked that provision be made to permit a can user, who does not use more tin than he is entitled to under M-25 quota and specification requirements, to use a greater area of tin plate.

The committee recommended that new products that may be packed in cans be given a use quota under M-25, instead of the individual attention they now receive; and that relief should be given packers who cannot use the secondary tin mill plate granted under Amendment 1.

NPA reported a critical shortage of can lining finishes (paraphenylphenol type resins), used to coat the inside of cans for packing meats, vegetables, fruits, and other foods.

1951-52 Fertilizer Outlook

Supplies of nitrogenous fertilizers are expected to be about 10 percent higher during the current fertilizer year than during 1950-51, according to estimates by the Chemical Division of the National Production Authority.

Production of wet process superphosphates for 1951-52 is estimated by NPA at approximately the same as 1950-51 production in spite of the 90 percent limitation on sulfur use established by NPA's sulfuric acid order, M-94.

Total chemical nitrogen materials available for domestic agricultural use for 1951-52 are estimated at 1,414,000 short tons, as compared with 1,285,000 tons during 1950-51.

SUPPLIES

U. S.-Indonesia Tin Agreement

Agreement on the purchase of tin has been arrived at between the Republic of Indonesia and the RFC representing the United States Government. This announcement was made jointly by the chairmen of the Indonesian and United States delegations.

The major features of this agreement are (1) a three-year contract, with a fixed price in the first two years; (2) a price based upon $1.18, basis ports of shipment; (3) annual quantities of 18,000 tons minimum and 20,000 tons maximum.

TRADE PRACTICES

Trade Practice Rules for the Grocery Industry

Promulgated March 18, 1952, by the Federal Trade Commission

STATEMENT BY THE COMMISSION:

Trade practice rules for the Grocery Industry, as hereinafter set forth, are promulgated by the Federal Trade Commission under the trade practice conference procedure. The rules constitute a revision and extension of the trade practice rules for this industry as promulgated by the Commission on March 14, 1932, and supersede such previously promulgated rules.

The rules are directed to the prevention and elimination of unfair trade practices to the end that the industry, the trade, and the public may be protected from the harmful effects of such competitive methods and that the conduct of business throughout the industry may be effectively maintained on a high plane of free and fair competition.

Members of the industry are the persons, partnerships, corporations and organizations engaged in the business of marketing one or more products to or in the grocery trade and include manufacturers, brokers, wholesalers, retailers, and other marketers of such products. The total annual volume of business of the industry is estimated to be in excess of twenty-six billion dollars.

Proceedings to revise the 1932 rules for the Grocery Industry were instituted upon application from members of the industry. A general industry conference was held in Washington, D. C., at which suggestions and proposals for rules were submitted for the consideration of the Commission. Thereafter, a draft of proposed rules in appropriate form was made available and public notice was given whereby all interested or affected parties were afforded opportunity to present their views, including such pertinent information, suggestions, or objections respecting the rules as they desired to offer. Pursuant to such notice a public hearing was held in Washington, D. C., on November 1, 1951, and all matters there presented, or otherwise received in the proceeding, were duly considered by the Commission.

Following such hearing, and upon full consideration of the entire matter, final action was taken by the Commission whereby it approved the rules as hereinafter set forth.

Such rules become operative thirty (30) days after the date of promulgation.

THE RULES

The rules are set forth under four separate sections but all are of the Group I classification and embrace practices considered to be prohibited under laws administered by the Federal Trade Commission. Subject to jurisdictional requirements, appropriate proceedings in the public interest will be taken by the Commission to prevent the employment of any such practices by any member of the industry.

DEFINITIONS

The term "member of the industry," as used in all rules herein, means any person engaged in the business of marketing one or more products to or in the grocery trade. The term "person," as thus used, means any individual, partnership, corporation, association, or other organization.

PART I

Part I contains rules which repeat the statutory language in Section 2(a) and (c) to (f) of the Clayton Act, as amended by the Robinson-Patman Act and otherwise. This law is qualified by the following meet-competition provisions in Section 2(b) of the Clayton Act:

"Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima-facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima-facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

The term "commerce," as used in the Part I rules, is to be construed as it is defined in Section 1 of the Clayton Act. This definition is as follows:

"'Commerce' . . . means trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States: *Provided,* That nothing in this Act contained shall apply to the Philippine Islands."

RULE 1—PROHIBITED DISCRIMINATION IN PRICE

It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them:

Provided, That nothing contained in this rule shall prevent—

(a) differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities[1] in which such commodities are to such purchasers sold or delivered; or

(b) price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or

[1] This exemption of quantity price differentials is further qualified by the following additional provisions in amended Section 2(a) of the Clayton Act:

"* * * the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established * * *"

imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned; or

(c) persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

RULE 2—PROHIBITED BROKERAGE AND COMMISSIONS, ETC.

It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, except for services rendered in connection with the sale or purchase of goods, wares, or merchandise, either to the other party to such transaction or to an agent, representative, or other intermediary therein where such intermediary is acting in fact for or in behalf, or is subject to the direct or indirect control, of any party to such transaction other than the person by whom such compensation is so granted or paid.

RULE 3—PROHIBITED DISCRIMINATION IN ADVERTISING OR PROMOTIONAL ALLOWANCES

It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to pay or contract for the payment of anything of value to or for the benefit of a customer of such person as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution of such products or commodities.

RULE 4—PROHIBITED DISCRIMINATION IN SERVICES OR FACILITIES

It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, to discriminate in favor of one purchaser against another purchaser or purchasers of a commodity bought for resale, with or without processing, by contracting to furnish or furnishing, or by contributing to the furnishing of, any services or facilities connected with the processing, handling, sale, or offering for sale of such commodity so purchased upon terms not accorded to all competing purchasers on proportionally equal terms.

RULE 5—PROHIBITED INDUCING OR RECEIVING DISCRIMINATION IN PRICE

It is an unfair trade practice for any member of the industry engaged in commerce, in the course of such commerce, knowingly to induce or receive a discrimination in price which is prohibited by the Part I rules.

Exemptions: Nothing in the Part I rules—

(a) shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association[2]; or

(b) shall apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit.[3]

PART II

Part II contains rules based on Sections 5 and 12 of the Federal Trade Commission Act. Said Section 5 prohibits the use of all unfair methods of competition and of all unfair or deceptive acts or practices in commerce, and said Section 12-a(1) prohibits the dissemination of "any false advertisement by United States mails, or in commerce by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly the purchase of food, drugs, devices, or cosmetics." As used in said Sections 5 and 12, the term "commerce" is to be construed as it is defined in Section 4 of the Federal Trade Commission Act. This definition reads as follows:

"'Commerce' means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation."

The term "purchasing public," as used in the Part II rules, means actual and prospective trade or consumer purchasers, as the case may be.

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[2] Paragraph (a) repeats the statutory language in Section 4 of the Robinson-Patman Act.

[3] Paragraph (b) repeats the statutory language in an amendment to the Robinson-Patman Act.

RULE 6—PROHIBITED WRONGFUL SELLING BELOW COST

It is an unfair trade practice for any member of the industry to advertise, offer, or sell a product at a price less than the cost thereof to the seller, with the purpose or intent, and where the effect may be, to injure, suppress, or stifle competition or tend to create a monopoly in the production or sale of such products. As used in this rule, the term "cost" means the total cost to the seller, including the costs of acquisition, processing, preparation for marketing, sale, and delivery.

This rule is not to be construed as prohibiting all sales below cost, but only such selling below the seller's cost as is resorted to and pursued as a monopolistic practice with the wrongful intent referred to and where the effect may be unreasonably to restrain trade, tend to create a monopoly, or substantially lessen competition.

RULE 7—FALSE USE OF THE TERM "BARGAIN" PROHIBITED

It is an unfair trade practice for any member of the industry to falsely represent in the advertisement, offer, or sale of a product, either expressly or implied, that the price at which such product is sold is a bargain price or an otherwise reduced price.

RULE 8—PROHIBITED USE OF FICTITIOUS PRICE

It is an unfair trade practice for any member of the industry to advertise, offer, or sell a product (a) at a price purported to be reduced from what is in fact a fictitious price, or (b) at a purported reduction in price which is in fact a fictitious one.

RULE 9—PROHIBITED USE OF ANY FALSE OR MISLEADING TERM OF SALE

It is an unfair trade practice for any member of the industry to quote or disseminate any price or any other term (including condition) of sale which is false, or which otherwise has the capacity and tendency or effect of misleading or deceiving the purchasing public.

RULE 10—PROHIBITED USE OF ANY FALSE OR MISLEADING INVOICE, ETC.

It is an unfair trade practice for any member of the industry, in connection with the sale or purchase of a product, (a) to make an invoice a false record of a sale by adding or omitting any statement with respect to it, or (b) to falsify a purchase record by any manipulation of it, or (c) to use an invoice or purchase record which otherwise has the capacity and tendency or effect of misleading or deceiving the purchasing public.

RULE 11—PROHIBITED MISREPRESENTATION OF AVAILABLE PRODUCT SUPPLY

In connection with the advertisement, sale, offering for sale, or distribution of products, it is an unfair trade practice for any member of the industry, either expressly or impliedly, to misrepresent the available supply of a product.

RULE 12—PROHIBITED USE OF ANY MISLEADING OR DECEPTIVE SELLING METHOD

It is an unfair trade practice for any member of the industry to use any method of selling a product which has the capacity and tendency or effect of misleading or deceiving the purchasing public in any material respect.

RULE 13—PROHIBITED MISREPRESENTATION IN GENERAL

It is an unfair trade practice for any member of the industry, either directly or indirectly, to make any misrepresentation in the advertisement, offer, or sale of a product (a) about its production or distribution, or (b) about its identity, nature, character, composition, grade, quality, quantity, size, use, or value, or (c) in any other material respect.

RULE 14—PROHIBITED DEFAMATION OF COMPETITOR

It is an unfair trade practice for any member of the industry to defame a competitor, or to disparage his product, his business or its conduct, by any false or otherwise unfair representation.

RULE 15—PROHIBITED ENTICING OF COMPETITOR'S EMPLOYEE

It is an unfair trade practice for any member of the industry to entice away any employee of a competitor with the purpose and tendency or effect of unfairly injuring him: *Provided*, that nothing in this rule shall be construed as prohibiting employees or agents from seeking or obtaining more favorable employment.

RULE 16—PROHIBITED SUBSTITUTION OF COMPETITOR'S PRODUCT

It is an unfair trade practice to ship or deliver products which do not conform to samples submitted, to specifications upon which the sale is consummated, or to representations made prior to securing the order, without advising the purchasers as to such substitution and obtaining consent thereto at or before the time of shipment or delivery, and with the capacity and tendency or effect of misleading or deceiving the purchasing or consuming public.

RULE 17—PROHIBITED INTERFERENCE WITH COMPETITOR'S CONTRACT

It is an unfair trade practice for any member of the industry (a) to induce the breach of a competitor's lawful purchase, sale, or other business contract, or (b) to interfere with or obstruct the performance of such a contract by a competitor, where either of such practices has the capacity and tendency or effect of substantially injuring or lessening present or potential competition.

Nothing in this rule is intended to imply that it is improper for any member of the industry to solicit the business of a customer of a competing member of the industry; nor is the rule to be construed as in anywise authorizing any agreement, understanding, or planned common course of action by two or more members of the industry not to solicit business from the customers of either or any of them, or from customers of any other member of the industry.

RULE 18—PROHIBITED COERCION OF PURCHASE

It is an unfair trade practice for any member of the industry to require by coercion, or by any other means, the purchase of one or more products as a condition to the purchase of one or more other products, where the effect may be substantially to lessen competition, unreasonably restrain trade, or tend to create a monopoly.

RULE 19—PROHIBITED USE OF LOTTERY SCHEME

It is an unfair trade practice for any member of the industry to sell or promote the sale of products by means of a game of chance, gift enterprise, or other lottery scheme, or to sell or distribute any punchboards, push cards, or other lottery devices which are to be used, or may be used, in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise, or other lottery scheme.

RULE 20—PROHIBITED FORMS OF TRADE RESTRAINTS (UNLAWFUL PRICE FIXING, ETC.)

It is an unfair trade practice for any member of the industry, either directly or indirectly—

(a) to engage in any planned common course of action, or to enter into or take part in any understanding, agreement, combination, or conspiracy with one or more members of the industry or with any other person or persons, unlawfully to fix, maintain, or enhance the price of any goods, or otherwise unlawfully to restrain trade; or

(b) to use any form of threat, intimidation, or coercion to induce any member of the industry or other person or persons to engage in any such planned common course of action, or to become a party to any such understanding, agreement, combination, or conspiracy.

PART III

RULE 21—PROHIBITED USE OF UNFAIR EXCLUSIVE DEALS[4]

It is an unfair trade practice for any member of the industry engaged in commerce,[5] in the course of such commerce, to make a sale or contract for sale of goods, for use, consumption or resale within any place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement or understanding that the purchaser thereof shall not deal in the goods of a competitor or competitors of the seller, where the effect of such sale or contract for sale, or such condition, agreement or understanding, may be to substantially lessen competition or tend to create a monopoly in any line of commerce.

PART IV

RULE 22—PROHIBITED AIDING OR ABETTING USE OF UNFAIR TRADE PRACTICES

It is an unfair trade practice for any member of the industry, either directly or indirectly, knowingly to aid, abet, coerce, or induce another to use or promote the use of any unfair trade practice forbidden by these rules.

INDUSTRY COMMITTEE

A Committee on Trade Practices is hereby authorized to cooperate with the Federal Trade Commission and to perform such acts as may be legal and proper in the furtherance of fair competitive practices and in promoting the effectiveness of the rules.

Promulgated by the Federal Trade Commission March 18, 1952.

D. C. DANIEL
Secretary.

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[4] This rule is based on Section 3 of the Clayton Act.

[5] The term "commerce," as used in this rule, is to be construed as it is defined in Section 1 of the Clayton Act. This definition is quoted in the headnote to Part I of the rules.

STANDARDS

FDA Definitions and Standards for Fruit Preserves

Following is the text of the final order amending the definitions and standards of identity for fruit butters, fruit jellies, fruit preserves and related products, which was issued by the Federal Security Agency March 20 and published in the *Federal Register* of March 26:

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Agency

[Docket No. FDC-10 (a)]

PART 29—FRUIT BUTTERS, FRUIT JELLIES, FRUIT PRESERVES, AND RELATED PRODUCTS; DEFINITIONS AND STANDARDS OF IDENTITY

PART 30—FRUIT BUTTERS, DEFINITIONS AND STANDARDS OF IDENTITY

FINAL ORDER

In the matter of amending the definitions and standards of identity for fruit preserves, fruit jellies, and fruit butters:

By virtue of the authority vested in the Federal Security Administrator by the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055; 21 U. S. C. 341, 371) and upon the basis of substantial evidence received at the public hearing held pursuant to the notice published in the *Federal Register* on November 28, 1950 (15 F. R. 8121), and upon consideration of the exceptions filed by Sugar Information, Inc., which are denied, the following order is made:

Findings of fact.[1] 1. In 1940, regulations establishing definitions and standards of identity were promulgated for three categories of fruit spreads (5 F. R. 3554). These are preserves, jams (21 CFR 29.0), fruit jelly (21 CFR 29.5), and fruit butter (21 CFR 30.0). In that part of each of these definitions and standards of identity applicable to the saccharine ingredients it is provided that corn sirup may be used in combination with other designated saccharine ingredients, provided the weight of the solids of the corn sirup is not less than one-tenth of the weight of the solids of the combination of saccharine ingredients. For preserves or jams and for fruit jellies it is further provided that the weight of the solids of the corn sirup is not more than one-half the weight of the solids of the combination. The definition and standard of identity for fruit butter, in addition to providing for the use of corn sirup in combination with other saccharine ingredients, provides that corn sirup may be used as the sole saccharine ingredient. Each of the definitions and standards of identity requires that whenever corn sirup is used it shall be named on the label, and if corn sirup is used in combination with other saccharine ingredients they also shall be named on the label. (Ex. 3)

2. Prior to the promulgation in 1940 of the definitions and standards of identity described in finding 1, there was a considerable trade in spreads made with a relatively low proportion of fruit ingredient and a high proportion of corn sirup. These spreads were often called "compound" or "imitation," and were generally regarded as cheap, low-quality products. Jobbers, wholesalers, retailers, and some consumers of preserves, jellies, and fruit butters came to associate the presence of corn sirup with such products, giving rise to the belief, now shown to be erroneous, that the presence of corn sirup in any proportion was evidence of inferiority. The label declaration of corn sirup was used by salesmen of competing brands containing no corn sirup to obtain a sales advantage. This was done by associating the corn-sirup-containing product with inferior merchandise. So preserves, jellies, and fruit butters containing small amounts of corn sirup and labeled as required by the definitions and standards of identity for these foods were confused with products containing a large enough quantity of corn sirup to change their properties substantially. (R. 25-28, 34-35, 37-38, 43, 53-59, 61-63, 66, 68-69, 72, 76, 80-81, 89, 108, 121-122, 127, 145-147, 149-154)

3. Experience of preserve, jelly, and fruit butter manufacturers since the adoption of definitions and standards of identity for these foods has shown that where the proportion of corn sirup (based on its solids content) is not greater than 25 percent by weight of the total saccharine ingredients the sweetness of the preserve, jelly, or fruit butter is not affected, to the extent of being ordinarily discernible, although experienced tasters may, under special conditions of tasting, detect a slight difference in some types of fruit spreads when a somewhat lower proportion of corn sirup is present. (R. 30-36, 41, 60-61, 70-71, 73, 77-79, 90-91, 94, 105-106, 110, 122-126, 134, 147-148, 169-192; Ex. 9)

4. From the facts stated in findings 1, 2, and 3 it is reasonable to conclude that the requirements dealing with corn sirup in the definitions and standards of identity for fruit preserves, jams, fruit jellies, and fruit butter should be changed to make corn sirup an optional ingredient in such foods when the proportion of corn sirup (based on its solids content) does not exceed 25 percent of the weight of the combined saccharine ingredients and that a label declaration of corn sirup, when used in such amounts, may confuse the consumer. (R. 38, 71, 73, 85, 99)

5. The definitions and standards of identity for preserves, jams, fruit jellies, and fruit butters do not define the term "corn sirup." The evidence in this record shows that the corn sirup used in the experimental and commercial production of fruit spreads in compliance with the standards was the clarified, concentrated aqueous solution obtained by incomplete hydrolysis of cornstarch and the solids of the corn sirup contained not less than 40 percent by weight of reducing sugars calculated as anhydrous dextrose. A more general term for sirup made by partial hydrolysis of edible starch is "glucose sirup." Glucose sirup which, except for the source of the edible starch used, conforms to the foregoing definition of corn sirup is suitable for use in fruit spreads. Corn sirup which has been dried, and which is sometimes called corn sirup solids, is likewise suitable for use in fruit spreads. Each of the definitions and standards of identity should recognize the use of glucose sirup and dried corn sirup, subject to the same conditions and requirements prescribed for the use of corn sirup. (R. 17, 19, 47, 54-55, 65)

6. The definition and standard of identity for preserves or jams provides that in certain combinations of saccharine ingredients "corn sugar or dextrose" may be used. There are corresponding provisions in the definitions and standards of identity for fruit jellies and fruit butter. Dextrose is made from starch; corn sugar is made from cornstarch. Thus the term "dextrose" encompasses corn sugar. In the fruit-spread trade, terminology has so changed that the designation "dextrose" is now used for the product which formerly was sometimes called "corn sugar." It is reasonable to simplify each of the definitions and standards of identity by deleting the words "corn sugar," wherever used, and with this change there will be no further need for the definitions and standards to include special definitions for corn sugar. (R. 15, 21, 40; Ex. 4-7)

Conclusion. It is concluded that it will promote honesty and fair dealing in the interest of consumers to amend the definitions and standards of identity for fruit butters, fruit jellies, and fruit preserves and jams.

Therefore, it is ordered, That Parts 29 and 30 be amended by deleting therefrom the definitions and standards of identity for fruit butters, fruit jellies, and preserves and jams and substituting therefor new defini-

[1] The citations following each finding of fact refer to the pages of the transcript of the testimony and the exhibits received in evidence at the hearing.

tions and standards of identity as set forth below.

1. Part 30, Fruit Butters; Definitions and Standards of Identity, is deleted, and § 30.0 is transferred to Part 29 and renumbered § 29.1.

2. The title of Part 29 is changed to read: "Part 29, Fruit Butters, Fruit Jellies, Fruit Preserves, and Related Products; Definitions and Standards of Identity."

3. Sections 29.0 and 29.5 are renumbered as §§ 29.3 and 29.2, respectively.

4. Part 29, as amended, reads as follows:

PART 29—FRUIT BUTTERS, FRUIT JELLIES, FRUIT PRESERVES, AND RELATED PRODUCTS; DEFINITIONS AND STANDARDS OF IDENTITY

Sec.

29.1 Fruit butter; identity; label statement of optional ingredients.
29.2 Fruit jelly; identity; label statement of optional ingredients.
29.3 Preserves, jams; identity; label statement of optional ingredients.

AUTHORITY: §§ 29.1 to 29.3 issued under sec. 701, 52 Stat. 1055; 21 U. S. C. 371. Interpret or apply sec. 401, 52 Stat. 1046; 21 U. S. C. 341.

§ 29.1. *Fruit butter; identity; label statement of optional ingredients.* (a) The fruit butters for which definitions and standards of identity are prescribed by this section are the smooth, semisolid foods each of which is made from a mixture composed of not less than five parts by weight (as determined by the method prescribed in paragraph (b) (1) of this section) of one or any combination of two, three, four, or five of the optional fruit ingredients specified in paragraph (c) of this section to each two parts by weight (see paragraph (e) (1) of this section) of one of the optional saccharine ingredients specified in paragraph (d) of this section, except that the use of such saccharine ingredient is not required when optional ingredient (5) is used. Such mixture may be seasoned with one or more of the following optional ingredients:

(1) Spice.

(2) Flavoring (other than artificial flavoring).

(3) Salt.

(4) A vinegar, lemon juice, lime juice, citric acid, lactic acid, malic acid, tartaric acid, or any combination of two or more of these.

Such mixture may also contain the optional ingredient:

(5) Fruit juice or diluted fruit juice or concentrated fruit juice, in a quantity not less than one-half the weight of the optional fruit ingredient.

Such mixture is concentrated by heat to such point that the soluble-solids content of the finished fruit butter is not less than 43 percent, as determined by the method prescribed in "Official Methods of Analysis of the Association of Official Agricultural Chemists," Seventh Edition, page 322, under "Soluble Solids in Fresh and Canned Fruits, Jams, Marmalades, and Preserves—First Action," except that no correction is made for water-insoluble solids.

(b) (1) Any requirement of this section with respect to the weight of any optional fruit ingredient, whether concentrated, unconcentrated, or diluted, means the weight determined by the following method:

Determine the percent of soluble solids in the optional fruit ingredient by the method prescribed for determining soluble solids in paragraph (a) of this section; multiply the percent so found by the weight of such ingredient; divide the result by 100; subtract from the quotient the weight of any added sugar or any other added solids; and multiply the remainder by the factor for such ingredient prescribed in paragraph (c) of this section. The result is the weight of the optional fruit ingredient.

(2) For the purposes of this section, the weight of fruit juice or diluted fruit juice or concentrated fruit juice (optional ingredient (a) (5)) from a fruit specified in paragraph (c) of this section is the weight of such juice, as determined by the method prescribed in paragraph (b) (1) of this section, except that the percent of soluble solids is determined by the method prescribed in "Official Methods of Analysis of the Association of Official Agricultural Chemists," Seventh Edition, page 495, under "Solids by Means of Refractometer—Official"; the weight of diluted or concentrated juice from any other fruit is the original weight of the juice before it was diluted or concentrated.

(c) Each of the optional fruit ingredients referred to in paragraph (a) of this section is prepared by cooking one of the following fresh, frozen, canned, and/or dried (evaporated) mature fruits, with or without added water, and screening out skins, seeds, pits, and cores:

Name of fruit:	*Factor referred to in paragraph (b) (1) of this section*
Apple	7.5
Apricot	7.0
Grape	7.0
Peach	8.5
Pear	6.5
Plum (other than prune)	7.0
Prune	7.0
Quince	7.5

In any combination of two, three, four, or five fruit ingredients, the weight of each is not less than one-fifth of the weight of the combination.

(d) The optional saccharine ingredients referred to in paragraph (a) of this section are:

(1) Sugar.

(2) Invert sugar sirup.

(3) Brown sugar.

(4) Invert brown sugar sirup.

(5) Honey.

(6) Any combination of two or more of optional saccharine ingredients (1), (2), (3), and (4).

(7) Any combination of dextrose and optional saccharine ingredient (1), (2), (3), (4), or (6).

(8) Any combination composed of corn sirup, dried corn sirup, glucose sirup, or any two or more of the foregoing, with optional saccharine ingredient (1), (2), (3), (4), (6), or (7), in which the weight of the solids of corn sirup, dried corn sirup, glucose sirup, or the sum of the weights of the solids of corn sirup, dried corn sirup, and glucose sirup, in case two or more of these are used, does not exceed one-fourth of the total weight of the solids of the combined saccharine ingredients.

(9) Any combination of honey and optional saccharine ingredient (1), (2), (3), (4), (6), or (7), in which the weight of the solids of each component except honey is not less than one-tenth of the weight of the solids of such combination, and the weight of honey solids is not less than two-fifths of the weight of the solids of such combination.

(e) For the purposes of this section:

(1) The weight of any optional saccharine ingredient means the weight of the solids of such ingredient.

(2) The term "sugar" means refined sugar (sucrose).

(3) The term "invert sugar sirup" means a sirup made by inverting or partly inverting sugar or partly refined sugar; its ash content is not more than 0.3 percent of its solids content, but if it is made from partly refined sugar, color and flavor other than sweetness are removed.

(4) The term "invert brown sugar sirup" means a sirup made by inverting or partly inverting brown sugar.

(5) The term "corn sirup" means a clarified, concentrated aqueous solution of the products obtained by the incomplete hydrolysis of cornstarch. The solids of corn sirup contain not less than 40 percent by weight of reducing sugars calculated as anhydrous dextrose. The term "glucose sirup" means a sirup which conforms to the definition in this subparagraph for corn sirup, except that it is made from any edible starch.

(6) The term "dextrose" means refined anhydrous or hydrated dextrose made from any starch.

(f) The name of each fruit butter for which a definition and standard of identity is prescribed by this section is as follows:

(1) In case the fruit butter is made from a single fruit ingredient, the name is "Butter," preceded by the name whereby such fruit is designated in paragraph (c) of this section.

(2) In case the fruit butter is made from a combination of two, three, four, or five fruit ingredients, the name is "Butter," preceded by the words "Mixed Fruit" or by the names whereby such fruits are designated in

paragraph (c) of this section, in the order of predominance, if any, of the weight of such fruit ingredients in the combination.

(g) (1) When optional ingredient (a) (1) of this section is used, the label shall bear the word "spiced" or the statement "spice added" or "with added spice"; but in lieu of the word "spice" in such statements the common name of the spice may be used.

(2) When optional ingredient (a) (2) of this section is used, the label shall bear the statement "flavoring added" or "with added flavoring." The word "flavoring" in such statements may be preceded by the common name of the kind of flavoring used.

(3) When optional ingredient (a) (5) of this section is used, the label shall bear the words "prepared with ..... juice," the blank to be filled in with the name of the fruit from which the juice is obtained; but if apple juice is used, the word "cider" may be used in lieu of "apple juice."

(4) When optional saccharine ingredient (d) (5) of this section is used, the label shall bear the statement "prepared with honey."

(5) When optional saccharine ingredient (d) (9) is used, the label shall bear the names of the components of the combination whereby such components are designated in paragraph (d) of this section, in the order of predominance, if any, of the weights of such components in the combination. Such name shall be preceded by the words "prepared with."

(6) When the optional fruit ingredient is prepared in whole or in part from dried fruit, the label shall bear the words "prepared from" or "prepared in part from," as the case may be, followed by the word "evaporated" or "dried," followed by the name whereby such fruit is designated in paragraph (c) of this section. When two or more such optional fruit ingredients are used, such names, each preceded by the word "evaporated" or "dried," shall appear in the order of predominance, if any, of the weight of such ingredients in the combination.

(7) When a combination of two, three, four, or five optional fruit ingredients is used, and the fruit butter is designated on its label by the name "Mixed Fruit Butter," the label shall bear the names whereby the fruits from which such ingredients are prepared are designated in paragraph (c) of this section, in the order of predominance, if any, of the weights of such ingredients in the combination.

(8) The label statements required by subparagraphs (1) and (2) of this paragraph may be combined, as for example, "cinnamon oil and cloves added." The label statements required by two or more of subparagraphs (3), (4), (5), (6), and (7) of this paragraph may be combined, as for example, "prepared with cider, apples, dried prunes, and honey."

(h) Wherever the name specified in paragraph (f) of this section appears on the label of the fruit butter so conspicuously as to be easily seen under customary conditions of purchase, the words and statements specified in this section, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter, except that the varietal name of the fruit used in preparing such fruit butter may so intervene.

§ 29.2 *Fruit jelly; identity; label statement of optional ingredients.* (a) The jellies for which definitions and standards of identity are prescribed by this section are the jelled foods each of which is made from a mixture composed of not less than 45 parts by weight (as determined by the method prescribed in paragraph (b) of this section) of one or any combination of two, three, four or five of the fruit juice ingredients specified in paragraph (c) of this section to each 55 parts by weight (see paragraph (e) (1) of this section) of one of the optional saccharine ingredients specified in paragraph (d) of this section. Such mixture may also contain one or more of the following optional ingredients:

(1) Spice.

(2) A vinegar, lemon juice, lime juice, citric acid, lactic acid, malic acid, tartaric acid, or any combination of two or more of these in a quantity which reasonably compensates for deficiency if any, of the natural acidity of the fruit juice ingredient.

(3) Pectin, in a quantity which reasonably compensates for deficiency, if any, of the natural pectin content of the fruit juice ingredient.

(4) Sodium citrate, sodium potassium tartrate, or any combination of these, in a quantity the proportion of which is not more than 3 ounces avoirdupois to each 100 pounds of the saccharine ingredient used.

(5) Sodium benzoate or benzoic acid, or any combination of these, in a quantity reasonably necessary as a preservative.

(6) Mint flavoring and harmless artificial green coloring, in case the fruit juice ingredient or combination of fruit juice ingredients is extracted from apple, crabapple, pineapple, or two or all of such fruits.

Such mixture is concentrated by heat to such point that the soluble-solids content of the finished jelly is not less than 65 percent, as determined by the method prescribed in "Official Methods of Analysis of the Association of Official Agricultural Chemists," Seventh Edition, page 495, under "Solids by Means of Refractometer—Official."

(b) Any requirement of this section with respect to the weight of any fruit juice ingredient, whether concentrated, unconcentrated, or diluted, means the weight determined by the following method: Determine the percent of soluble solids in such fruit juice ingredient by the method for soluble solids referred to in paragraph (a) of this section; multiply the percent so found by the weight of such fruit juice ingredient; divide the result by 100; subtract from the quotient the weight of any added sugar or other added solids; and multiply the remainder by the factor for such fruit juice ingredient prescribed in paragraph (c) of this section. The result is the weight of the fruit juice ingredient.

(c) Each of the fruit juice ingredients referred to in paragraph (a) of this section is the filtered or strained liquid extracted with or without the application of heat and with or without the addition of water, from one of the following mature, properly prepared fruits which are fresh, frozen and/or canned

Name of fruit:	*Factor referred to in paragraph (b) of this section*
Apple	7.5
Apricot	7.0
Blackberry (other than dewberry)	10.0
Black raspberry	9.0
Cherry	7.0
Crabapple	6.5
Cranberry	9.5
Damson, damson plum	7.0
Dewberry (other than boysenberry, loganberry, and youngberry)	10.0
Fig	5.5
Gooseberry	12.0
Grape	7.0
Grapefruit	11.0
Greengage, greengage plum	7.0
Guava	13.0
Loganberry	9.5
Orange	8.0
Peach	8.5
Pineapple	7.0
Plum (other than damson, greengage, and prune)	7.0
Pomegranate	8.5
Quince	7.5
Raspberry, red raspberry	9.5
Red currant, currant (other than black currant)	9.5
Strawberry	12.5
Youngberry	10.0

In any combination of two, three, four, or five of such fruit juice ingredients the weight of each is not less than one-fifth of the weight of the combination. Each such fruit juice ingredient in any such combination is an optional ingredient.

(d) The optional saccharine ingredients referred to in paragraph (a) of this section are:

(1) Sugar.

(2) Invert sugar sirup.

(3) Any combination composed of optional saccharine ingredients (1) and (2).

(4) Any combination composed of dextrose and optional saccharine ingredient (1), (2), or (3).

(5) Any combination composed of corn sirup, dried corn sirup, glucose sirup, or any two or more of the foregoing, with optional saccharine ingredient (1), (2), (3), or (4), in which the weight of the solids of corn sirup, dried corn sirup, glucose sirup, or the sum of the weights of the solids of

corn sirup, dried corn sirup, and glucose sirup, in case two or more of these are used, does not exceed one-fourth of the total weight of the solids of the combined saccharine ingredients.

(6) Honey.

(7) Any combination composed of honey and optional saccharine ingredient (1), (2), or (3), in which the weight of the solids of each component except honey is not less than one-tenth of the weight of the solids of such combination and the weight of honey solids is not less than two-fifths of the weight of the solids of such combination.

(e) For the purposes of this section:

(1) The weight of any optional saccharine ingredient means the weight of the solids of such ingredient.

(2) The term "sugar" means refined sugar (sucrose).

(3) The term "invert sugar sirup" means a sirup made by inverting or partly inverting sugar or partly refined sugar; its ash content is not more than 0.3 percent of its solids content, but if it is made from partly refined sugar, color and flavor other than sweetness are removed.

(4) The term "corn sirup" means a clarified, concentrated aqueous solution of the products obtained by the incomplete hydrolysis of cornstarch. The solids of corn sirup contain not less than 40 percent by weight of reducing sugars calculated as anhydrous dextrose. The term "glucose sirup" means a sirup which conforms to the definition in this subparagraph for corn sirup, except that it is made from any edible starch.

(5) The term "dextrose" means refined anhydrous or hydrated dextrose made from any starch.

(f) The name of each jelly for which a definition and standard of identity is prescribed by this section is as follows:

(1) In case the jelly is made with a single fruit juice ingredient, the name is "Jelly," preceded or followed by the name or synonym whereby the fruit from which such fruit juice ingredient was extracted is designated in paragraph (c) of this section.

(2) In case the jelly is made with a combination of two, three, four, or five fruit juice ingredients, the name is "Jelly," preceded or followed by the words "Mixed Fruit" or by the names or synonyms whereby the fruits from which the fruit juice ingredients were extracted are designated in paragraph (c) of this section, in the order of predominance, if any, of the weights of such fruit juice ingredients in the combination.

(g) (1) When optional ingredient (a) (1) is used, the label shall bear the word "spiced" or the statement "spice added" or "with added spice"; but in lieu of the word "spice" in such statements the common name of the spice may be used.

(2) When optional ingredient (a) (5) is used, the label shall bear the words "sodium benzoate" or "benzoic acid" or "sodium benzoate and benzoic acid," as the case may be, followed by the words "added as preservative."

(3) When optional ingredient (a) (6) is used, the label shall bear the statement "flavoring and artificial coloring added" or "with added flavoring and artificial coloring." The word "flavoring" in such statement may be preceded by the word "mint."

(4) When optional saccharine ingredient (d) (7) is used, the label shall bear the names of the components of the combination whereby such components are designated in paragraph (d) of this section, in the order of predominance, if any, of the weight of such components in the combination. Such names shall be preceded by the words "prepared with."

(5) When optional saccharine ingredient (d) (6) is used, the label shall bear the statement "prepared with honey."

(6) When a combination of two, three, four, or five fruit juice ingredients is used, and the jelly is designated on its label by the word "Jelly," preceded or followed by the words "Mixed Fruit," the label shall bear the names or synonyms whereby such fruits are designated in paragraph (c) of this section, in the order of predominance, if any, of the weights of such fruit juice ingredients in the combination.

(h) Wherever the name specified in paragraph (f) of this section appears on the label of the jelly so conspicuously as to be easily seen under customary conditions of purchase, the words and statements herein specified, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter, except that the varietal name of the fruit used in preparing such jelly may so intervene.

§ 29.3. *Preserves, jams; identity; label statement of optional ingredients.* (a) The preserves or jams for which definitions and standards of identity are prescribed by this section are the viscous or semisolid foods each of which is made from a mixture composed of not less than 45 parts by weight (see paragraph (c) of this section) of one of the fruit ingredients specified in paragraph (b) of this section to each 55 parts by weight (see paragraph (e) (1) of this section) of one of the optional saccharine ingredients specified in paragraph (d) of this section. Such mixture may also contain one or more of the following optional ingredients:

(1) Spice.

(2) A vinegar, lemon juice, lime juice, citric acid, lactic acid, malic acid, tartaric acid, or any combination of two or more of these, in a quantity which reasonably compensates for deficiency, if any, of the natural acidity of the fruit ingredient.

(3) Pectin, in a quantity which reasonably compensates for deficiency, if any, of the natural pectin content of the fruit ingredient.

(4) Sodium citrate, sodium potassium tartrate, or any combination of these, in a quantity the proportion of which is not more than 3 ounces avoirdupois to each 100 pounds of the saccharine ingredient used.

(5) Sodium benzoate or benzoic acid or any combination of these, in a quantity reasonably necessary as a preservative.

Such mixture, with or without added water, is concentrated by heat to such point that the soluble-solids content of the finished preserve is not less than 68 percent if the fruit ingredient is specified in Group I of paragraph (b) of this section, and not less than 65 percent if the fruit ingredient is specified in Group II of paragraph (b) of this section. The soluble-solids content is determined by the method prescribed in "Official Methods of Analysis of the Association of Official Agricultural Chemists," Seventh Edition, page 322, under "Soluble Solids in Fresh and Canned Fruits, Jams, Marmalades, and Preserves—First Action," except that no correction is made for water-insoluble solids.

(b) The fruit ingredients referred to in paragraph (a) of this section are the following mature, properly prepared fruits which are fresh, frozen and/or canned.

GROUP I

Blackberry (other than dewberry).
Black raspberry.
Blueberry.
Boysenberry.
Cherry.
Crabapple.
Dewberry (other than boysenberry, loganberry, and youngberry).
Elderberry.
Grape.
Grapefruit.
Huckleberry.
Loganberry.
Orange.
Pineapple.
Raspberry, red raspberry.
Rhubarb.
Strawberry.
Tangerine.
Tomato.
Yellow tomato.
Youngberry.

Any combination of two, three, four, or five of such fruits in which the weight of each is not less than one-fifth of the weight of the combination; except that the weight of pineapple may be not less than one-tenth of the weight of the combination.

GROUP II

Apricot.
Cranberry.
Damson, damson plum.
Fig.
Gooseberry.
Greengage, greengage plum.
Guava.
Nectarine.
Peach.
Pear.
Plum (other than greengage plum and damson plum).
Quince.
Red currant, currant (other than black currant).

Any combination of two, three, four, or five of such fruits, or one or more of such fruits with one or more of the individual fruits specified in Group I, in which the weight of each is not less than one-fifth of the weight of the combination; except that the weight of pineapple may be not less than one-tenth of the weight of the combination.

Any combination of apple and one, two, three, or four of the individual fruits specified in this group or Group I in which the weight of each is not less than one-fifth, and the weight of apple is not more than one-half, of the weight of the combination; except that the weight of pineapple may be not less than one-tenth of the weight of the combination.

In any combination of two, three, four, or five fruits, each such fruit is an optional ingredient. For the purposes of this section, the word "fruit" includes the vegetables specified in this paragraph.

(c) Any requirement of this section with respect to the weight of any fruit, combination of fruits, or fruit ingredient means:

(1) The weight of fruit exclusive of the weight of any sugar, water, or other substance added for any processing or packing or canning, or otherwise added to such fruit;

(2) In the case of fruit prepared by the removal in whole or in part, of pits, seeds, skins, cores, or other parts, the weight of such fruit, exclusive of the weight of all such substances removed therefrom; and

(3) In the case of apricots, cherries, grapes, nectarines, peaches, and all varieties of plums, whether or not pits and seeds are removed therefrom, the weight of such fruit, exclusive of the weight of such pits and seeds.

(d) The optional saccharine ingredients referred to in paragraph (a) of this section are:

(1) Sugar.

(2) Invert sugar sirup.

(3) Any combination composed of optional saccharine ingredients (1) and (2).

(4) Any combination composed of dextrose and optional saccharine ingredient (1), (2), or (3).

(5) Any combination composed of corn sirup, dried corn sirup, glucose sirup, or any two or more of the foregoing, with optional saccharine ingredient (1), (2), (3), or (4), in which the weight of the solids of corn sirup, dried corn sirup, glucose sirup, or the sum of the weights of the solids of corn sirup, dried corn sirup, and glucose sirup, in case two or more of these are used, does not exceed one-fourth of the total weight of the solids of the combined saccharine ingredients.

(6) Honey.

(7) Any combination composed of honey and optional saccharine ingredient (1), (2), or (3), in which the weight of the solids of each component except honey is not less than one-tenth of the weight of the solids of such combination and the weight of honey solids is not less than two-fifths of the weight of the solids of such combination.

(e) For the purposes of this section:

(1) The weight of any optional saccharine ingredient means the weight of the solids of such ingredient.

(2) The term "sugar" means refined sugar (sucrose).

(3) The term "invert sugar sirup" means a sirup made by inverting or partly inverting sugar or partly refined sugar; its ash content is not more than 0.3 percent of its solids content, but if it is made from partly refined sugar, color and flavor other than sweetness are removed.

(4) The term "corn sirup" means a clarified, concentrated aqueous solution of the products obtained by incomplete hydrolysis of cornstarch. The solids of corn sirup contain not less than 40 percent by weight of reducing sugars calculated as anhydrous dextrose. The term "glucose sirup" means a sirup which conforms to the definition in this subparagraph for corn sirup, except that it is made from any edible starch.

(5) The term "dextrose" means refined anhydrous or hydrated dextrose made from any starch.

(f) The name of each preserve or jam for which a definition and standard of identity is prescribed by this section is as follows:

(1) If the fruit ingredient is a single fruit, the name is "Preserve" or "Jam," preceded or followed by the name or synonym whereby such fruit is designated in paragraph (b) of this section.

(2) If the fruit ingredient is a combination of two, three, four, or five fruits, the name is "Preserve" or "Jam," preceded or followed by the words "Mixed Fruit" or by the names or synonyms whereby such fruits are designated in paragraph (b) of this section, in the order of predominance, if any, of the weights of such fruits in the combination.

(g) (1) When optional ingredient (a) (1) is used, the label shall bear the word "spiced" or the statement "spice added" or "with added spice"; but in lieu of the word "spice" in such statements the common name of the spice may be used.

(2) When optional ingredient (a) (5) is used, the label shall bear the words "sodium benzoate" or "benzoic acid," or "sodium benzoate and benzoic acid," as the case may be, followed by the words "added as preservative."

(3) When optional saccharine ingredient (d) (7) is used, the label shall bear the names of the components of the combination whereby such components are designated in paragraph (d) of this section, in the order of predominance, if any, of the weights of such components in the combination. Such names shall be preceded by the words "prepared with."

(4) When optional saccharine ingredient (d) (6) is used, the label shall bear the statement "prepared with honey."

(5) When the fruit ingredient is a combination of two, three, four, or five fruits and the preserve is designated on its label by the name "Preserve" or "Jam," preceded or followed by the words "Mixed Fruit," the label shall bear the names or synonyms whereby such fruits are designated in paragraph (b) of this section, in the order of predominance, if any, of the weights of such fruits in the combination.

(h) Wherever the name specified in paragraph (f) of this section appears on the label of the preserve so conspicuously as to be easily seen under customary conditions of purchase, the words and statements herein specified, showing the optional ingredients used, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter, except that the varietal name of the fruit used in preparing such preserve may so intervene.

Effective date. This order shall become effective on the ninetieth day following the date of publication in the *Federal Register*.

Dated: March 20, 1952.

[SEAL] JOHN L. THURSTON,
Acting Administrator.

[F. R. Doc. 52-3434; Filed, Mar. 25, 1952; 8:51 a. m.]

DEATHS

William F. Christel

William F. Christel, 90, a pioneer in Wisconsin canning operations and for many years the state's oldest active canner, died at his home in Valders, Wis., March 21.

Bill Christel started in the canning business as one of the organizers of the Pioneer Canning Company of St. Nazianz, Wis., about 1901. The Valders Canning Company was organized in 1913 and Mr. Christel was its first and only president.

He was born in Manitowoc County and moved to St. Nazianz when he was 26 years old. In 1897 he promoted the first vegetable cannery at St. Nazianz. When the Pioneer company was formed, he was made one of its directors.

Mr. Christel organized the Valders Canning Company and built its factories in Valders and at Hilbert. He was also an inventor and developed several machines and improvements for the canning industry. Best known are the Texturemeter and the Hume Pea Harvester, for which he supplied the original drawings.

Mr. Christel is survived by 12 children and many grandchildren.

Three sons and a son-in-law were connected with Mr. Christel in the canning business.

Mrs. Edna Sheldon Trego

Mrs. Edna Sheldon Trego, 70, widow of the late Edward F. Trego, who was President of N.C.A. in 1925, died March 27 of a cerebral hemorrhage at her winter home in Tucson, Ariz.

Cannery Wage Differentials

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was sound and that it allowed for equitable cannery wage adjustments in areas where field wage rates had advanced pursuant to wage regulations.

In view of the forecasts of shortages of field labor again this year, N.C.A. said, it can be expected that agricultural wages will rise as the growing and harvesting seasons progress. It was pointed out that any increases in wage rates for cannery labor would be limited by wage formulas already in effect.

Renegotiation Regulations

(Concluded from page 135)

concern interpretations of the regulations, will be incorporated in field bulletins which are being prepared for public distribution.

Text of the final regulations, which include instructions on the preparation of financial reports which all defense contractors must file with the Board by May 1, was published in the *Federal Register* of March 25.

A handbook containing all regulations which have so far been issued by the Renegotiation Board is being printed and will be available for sale by the Government Printing Office at an early date.

INSPECTION

Meat Inspection Regulations

Notice is given in the *Federal Register* of March 26 that the Bureau of Animal Industry, USDA, proposes to amend the Meat Inspection Regulations.

Among the proposed changes are a new Section 17.8(c)(27), defining "chili con carne," and new Sections 17.8(c)(48)-(51), relating to "pork with barbecue sauce," "beef with barbecue sauce," "beef with gravy," "gravy with beef," the terms "animal fat" and "meat fat," and the weight of smoked meats prepared for canning.

Written data or arguments concerning the proposed amendments may be filed with BAI within 15 days after the date of publication of the notice in the *Federal Register*.

Wages for Agricultural Labor

(Concluded from page 135)

cent formula. This provision is not affected by the new resolution.

GWR 11 placed a 10 percent limitation, however, on adjustments in rates above 95 cents an hour (and the stated equivalents of 95 cents an hour) or on adjustments which resulted in rates above 95 cents an hour. Under the new resolution, if a farmer previously has given his employees a 10 percent increase in the rate of pay as provided in GWR 11, he may now grant an additional adjustment of 5 percent, representing a rounding-off of the 4.7 percent rise in the cost of living as calculated by the Bureau of Labor Statistics.

If a farmer was paying in 1950 a wage in excess of 95 cents an hour and has not increased this rate as allowed by GWR 11, he may choose to increase his 1950 rate by 15 percent under the resolution—10 percent corresponding to the GWR 6 adjustment for industrial employees and specifically permitted under GWR 11 for farm labor, and 5 percent corresponding to the cost of living allowance permitted by GWR 8, Revised.

If he has given part of the 10 percent adjustment permitted by GWR 11, this amount must be deducted from the 15 percent allowed by the new resolution.

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